Q1 2018 RESULTS

4 May, 2018

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BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The definition of the Repsol Group´s operating segments is based on the different activities performed and from where the Group earns revenue or incurs expenses, as well as on the organizational structure approved by the Board of Directors for business management purposes. Using these segments as a reference point, Repsol's management team (the Corporate Executive, E&P and Downstream Committees) analyzes the main operating and financial indicators in order to make decisions about segment resource allocation and to assess how Repsol ("the Company") is performing.

The Group's operating segments are:

- **Upstream**, corresponding to exploration and production of crude oil and natural gas reserves and;
- **Downstream**, corresponding, mainly, to the following activities: (i) refining and petrochemistry, (ii) trading and transportation of crude oil and oil products, (iii) commercialization of oil products, petrochemical and LPG, (iv) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG).

Finally, **Corporate and others** includes activities not attributable to the aforementioned businesses, and specifically, corporate expenses, net finance costs and inter-segment consolidation adjustments.

The Group did not aggregate any operating segments for presentation purposes.

Repsol presents its operating segments' results by including the ones corresponding to its joint ventures[1] and other managed companies operated as such[2], in accordance with the percentage interest held by the Group, considering their business and financial metrics in the same manner and with the same level of detail as for fully-consolidated companies. The Group considers that so doing adequately reflects the nature of its businesses and the way in which their performance is analyzed for decision-making purposes.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, utilizes as a measure of segment profit the so-called **Adjusted Net Income**, which corresponds to net income from continuing operations at current cost of supply or *CCS* after taxes and minority interests and not including certain items of income and expense (***Special Items***). Net finance cost is allocated to the **Corporate and others** segment's Adjusted Net Income/Loss.

Although this measure of profit (CCS), widely used in the industry to report the earnings generated in Downstream businesses which necessarily work with significant volumes of inventories that are subject to constant price fluctuations, is not accepted in *European accounting standards* it does facilitate comparison with the earnings of sector peers and enables analysis of the underlying business performance by stripping out the impact of price fluctuations on reported inventory levels. Using the CCS method, the cost of volumes sold during the reporting period is calculated using the costs of procurement and production incurred during that same period. As a result, Adjusted Net Income does not include the so-called *Inventory Effect*. This *Inventory Effect* is presented separately, net of tax and minority interests, and corresponds to the difference between income at *CCS* and that arrived at using the Average Weighted

[1] In Repsol Group´s operating segments model, joint ventures are consolidated proportionally in accordance with the Group's percent holding. See Note 12 and the Appendix III of the consolidated financial statements for 2017, where the Group's main joint ventures are identified.
[2] It corresponds to Petrocarabobo, S.A., (Venezuela), an associated entity of the Group.

Cost accounting method (*AWC*, which is an inventory valuation method used by the Company to determine its results in accordance with *European accounting regulations*).

Likewise, *Adjusted Net Income* does not include *Special Items*, i.e., certain significant items whose separate presentation is considered convenient to facilitate the monitoring of the ordinary business performance. It includes gains/losses on disposals, personnel restructuring costs, impairments and relevant provisions for risks and other relevant expenses. Special Items are presented separately, net of the tax effect and minority interests.

Following the agreement reached on February 22, 2018 for the sale of the 20.072% stake in Gas Natural, its income prior to this date have been recognized as discontinued operations under "*Special items*", previously recognized under *Corporate and others*, restating the comparative figures in terms of those published in the interim financial statements for the first quarter of 2017. Furthermore, the amount corresponding to the investment in Gas Natural has not been considered in the calculation of balance sheet figures booked as capital employed, rather they have been recognized under *"Non-current assets held for sale"* in the consolidated balance sheet.

All of the information presented in this Q1 2018 *Results Earnings Release* has been prepared in accordance with the abovementioned criteria, with the exception of the information provided in Appendix II "Consolidated Financial Statements" which has been prepared according to the *International Financial Reporting Standards adopted by the European Union (IFRS-EU)*.

Appendix III provides a reconciliation of the segment reported metrics and those presented in the Consolidated Financial Statements (IFRS-EU).

Information and disclosures related to APM[3] used on the present Q1 2018 Results Earnings Release are included in Appendix III "Alternative Performance Measures" of the *Interim consolidated financial statements* for Q1 2018 and Repsol's website.

Repsol publish today the Interim *consolidated financial statements* for Q1 2018 available on Repsol´s and CNMV's (Comisión Nacional del Mercado de Valores) websites.

[3] In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016.

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
Upstream	224	145	320	42.9
Downstream	500	446	425	(15.0)
Corporate and others	(154)	(3)	(129)	16.2
ADJUSTED NET INCOME	**570**	**588**	**616**	**8.1**
Inventory effect	84	154	(9)	-
Special items	35	(204)	3	(91.4)
NET INCOME	**689**	**538**	**610**	**(11.5)**

Economic data (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
EBITDA	1,844	2,008	1,804	(2.2)
EBITDA CCS	1,731	1,799	1,816	4.9
INVESTMENTS	557	1,093	598	7.4
NET DEBT	8,345	6,267	6,836	(18.1)
NET DEBT / EBITDA CCS (x)	1.21	0.87	0.94	(21.9)

Operational data	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
LIQUIDS PRODUCTION (Thousand bbl/d)	258	257	269	4.0
GAS PRODUCTION (*) (Million scf/d)	2,442	2,572	2,571	5.3
TOTAL PRODUCTION (Thousand boe/d)	**693**	**715**	**727**	**4.8**
CRUDE OIL REALIZATION PRICE ($/Bbl)	49.4	56.6	60.9	23.2
GAS REALIZATION PRICE ($/Thousand scf)	3.1	3.0	3.5	12.9
DISTILLATION UTILIZATION Spanish Refining (%)	86.9	97.1	92.5	5.6
CONVERSION UTILIZATION Spanish Refining (%)	97.0	113.1	104.4	7.4
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	7.1	6.9	6.6	(7.0)

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d.

KEY MILESTONES FOR THE FIRST QUARTER OF 2018

- **Adjusted net income** in the first quarter was €616 million, 8% higher than in the first quarter of 2017. **Net income** amounted to €610 million, 11% lower year-on-year.

- Quarterly results for the business segments are summarized as follows:

    - In **Upstream,** adjusted net income was €320 million, 43% higher than in the same period of 2017, mainly due to higher realized oil and gas prices, higher volumes and lower amortization rates. These effects were partially compensated by higher exploration expenses, the impact of the depreciation of the dollar against the euro and higher taxes as a result of higher operating income.

- In **Downstream**, adjusted net income was €425 million, 15% lower year-on-year as a result of lower contribution from the industrial businesses. In Refining, due to lower margins and the depreciation of the dollar against the euro, and in Chemicals, as a result of a more challenging environment and the maintenance activities in Sines and Tarragona. These effects were partially compensated by better results in Trading and Gas & Power, LPG and Marketing.

- In **Corporate and others**, adjusted net income was €-129 million, 16% higher year-on-year due to lower corporate costs, higher results from exchange rate positions and lower interest expenses.

- Upstream **production** reached an average of 727 kboe/d in the first quarter of 2018, 33 kboe/d higher year-on-year, mainly as a result of the ramp up of production in Libya, the startup of production in Juniper (Trinidad and Tobago), Shaw and Cayley (UK), Reggane (Algeria), Kinabalu (Malaysia) as well as the acquisition of Visund (Norway). This was partially compensated by the sale of SK field (Russia) and Ogan Komering (Indonesia).

- **EBITDA CCS** in the first quarter of 2018 was €1,816 million, 5% higher compared to that of the first quarter of 2017.

- The Group's **net debt** at the end of the quarter stood at €6,836 million, €569 million higher than at the end of the fourth quarter of 2017 mainly due to the market operations relating to own shares, regarding the reduction of share capital that will be proposed to the next AGM. The **net debt to capital employed ratio** at the end of the quarter was 20.8%.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

UPSTREAM

(Unaudited figures)

Results (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
ADJUSTED NET INCOME	**224**	**145**	**320**	**42.9**
Operating income	335	326	555	65.7
Income tax	(115)	(191)	(238)	(107.0)
Income from equity affiliates and non-controlling interests	4	10	3	(25.0)
EBITDA	921	1,086	1,101	19.5
INVESTMENTS	438	716	452	3.2
EFFECTIVE TAX RATE (%)	34	58	43	9.0

International prices	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
Brent ($/Bbl)	53.7	61.3	66.8	24.4
WTI ($/Bbl)	51.8	55.3	62.9	21.5
Henry Hub ($/MBtu)	3.3	2.9	3.0	(9.4)
Average exchange rate ($/€)	1.06	1.18	1.23	15.4

Realization prices	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
CRUDE OIL ($/Bbl)	49.4	56.6	60.9	23.2
GAS ($/Thousand scf)	3.1	3.0	3.5	12.9

Exploration (*)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
G&A and Amortization of Bonus and Dry Wells	56	247	143	155.4

Production	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
LIQUIDS (Thousand bbl/d)	258	257	269	4.0
GAS (**) (Million scf/d)	2,442	2,572	2,571	5.3
TOTAL (Thousand boe/d)	**693**	**715**	**727**	**4.8**

(*) Only direct costs attributable to exploration projects. (**) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Adjusted net income in the first quarter of 2018 was €320 million, 43% higher than in the same period of 2017, mainly due to higher realized oil and gas prices, higher volumes and lower amortization rates. These effects were partially compensated by higher exploration expenses, the impact of the depreciation of the dollar against the euro and higher taxes as a result of higher operating income.

The principle variances in year-on-year performance in the Upstream division are as follows:

- Higher crude **oil and gas realization prices** had a positive impact on the operating income of €320 million.
- **Higher volumes** contributed positively to the operating income by €106 million.
- **Higher royalties** contributed negatively to the operating income by €50 million.
- The **depreciation of the dollar against the euro** had a negative impact on the operating income of €86 million.
- **Exploration expenses,** excluding exchange rate effect, impacted the operating income negatively by €109 million, as a result of higher amortization of dry wells and bonds and higher G&G costs.
- **Depreciation and amortization** charges were €60 million lower mainly due to of the application of the new formula for depreciation of productive assets.
- **Income tax** expense impacted the adjusted net income negatively by €123 million, as a result of higher operating income.
- **Income from equity affiliates and non-controlling interests and others** explains the remaining differences.

Upstream production reached an average of 727 kboe/d in the first quarter of 2018, 33 kboe/d higher year-on-year, mainly as a result of the ramp up of production in Libya, the startup of production in Juniper (Trinidad and Tobago), Shaw and Cayley (UK), Reggane (Algeria), Kinabalu (Malaysia) as well as the acquisition of Visund (Norway). This was partially compensated by the sale of SK field (Russia) and Ogan Komering (Indonesia).

During the first quarter of 2018, six exploratory wells were finished. One was declared positive while the remaining five were deemed unsuccessful.

Investments

Investments in Upstream in the first quarter of 2018 amounted to €452 million, €14 million higher than in the first quarter of 2017.

Development investment accounted for 65% of the total investment and was concentrated mainly in the U.S. (23%), Canada (22%), Vietnam (11%), Trinidad and Tobago (9%), Norway (9%), Malaysia (7%) and Indonesia (4%); and **Exploration investment** represented 10% of the total and was allocated primarily in Bolivia (17%), Gabon (17%), Rumania (16%), Indonesia (12%), Russia (12%), Trinidad and Tobago (11%) and the U.S. (10%).
Additionally, the remaining investment (25%) corresponds mainly to acquisition of new assets in Norway (Visund).

DOWNSTREAM

(Unaudited figures)

Results (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
ADJUSTED NET INCOME	**500**	**446**	**425**	**(15.0)**
Operating income	663	547	558	(15.8)
Income tax	(164)	(99)	(136)	17.1
Income from equity affiliates and non-controlling interests	1	(2)	3	200.0
AVERAGE WEIGHTED COST ADJUSTED NET INCOME	**584**	**600**	**416**	**(28.8)**
Inventory effect	84	154	(9)	-
EBITDA	961	964	733	(23.7)
EBITDA CCS	848	755	745	(12.1)
INVESTMENTS	114	360	138	21.1
EFFECTIVE TAX RATE (%)	25	18	24	(1.0)

Operational data	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	7.1	6.9	6.6	(7.0)
DISTILLATION UTILIZATION Spanish Refining (%)	86.9	97.1	92.5	5.6
CONVERSION UTILIZATION Spanish Refining (%)	97.0	113.1	104.4	7.4
OIL PRODUCT SALES (Thousand tons)	12,064	13,323	12,096	0.3
PETROCHEMICAL PRODUCT SALES (Thousand tons)	712	708	688	(3.4)
LPG SALES (Thousand tons)	436	378	437	0.3
NORTH AMERICA NATURAL GAS SALES (TBtu)	155.4	120.5	142.8	(8.1)

International prices ($/Mbtu)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
Henry Hub	3.3	2.9	3.0	(9.4)
Algonquin	4.4	5.3	8.0	80.6

Adjusted net income in the first quarter of 2018 amounted to €425 million, 15% lower compared to the first quarter of 2017.

The principal variances year-on-year in the Downstream business are:

- In **Refining**, operating income was €87 million lower, largely due to lower margins. Stronger middle distillates spreads were offset by higher energy costs and narrower gasoline spreads.

- In **Chemicals**, a challenging environment as a result of lower prices in styrene and butadiene along with the maintenance activities in Tarragona and Sines sites, had a negative impact on the operating income of €88 million.

- In the commercial businesses, **Marketing, Lubricants and LPG**, operating income was €63 million higher than in the first quarter of 2017 thanks to higher margins in the regulated and non-regulated segment, better volumes linked to climate conditions in the LPG business and higher sales in the Marketing business.

- In **Trading and Gas & Power**, operating income was €53 million higher than in the first quarter of 2017. Higher results in Gas & Power, thanks to higher margins due to colder weather and higher volatility in gas prices, more than compensated a lower contribution from Trading.

- The **depreciation of the dollar against the euro** had a negative impact on the operating income of €73 million.

- **Results in other activities, equity affiliates and non-controlling interests and taxes** cover the remaining difference.

Investments

Investments in Downstream in the first quarter of 2018 amounted to €138 million, €24 million higher year-on-year.

CORPORATE AND OTHERS

(Unaudited figures)

Results (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
ADJUSTED NET INCOME	**(154)**	**(3)**	**(129)**	**16.2**
Corporate and adjustments	(56)	(66)	(56)	-
Financial result	(155)	(17)	(114)	26.5
Income tax	57	82	41	(28.1)
Income from equity affiliates and non-controlling interests	-	(2)	-	-
EBITDA	(38)	(42)	(30)	21.1
NET INTERESTS	(95)	(82)	(72)	24.2
INVESTMENTS	5	17	8	60.0
EFFECTIVE TAX RATE (%)	(27)	(98)	(24)	3.0

CORPORATE AND ADJUSTMENTS

Corporate and adjustments accounted for €-56 million in the first quarter of 2018 in line year-on-year.

FINANCIAL RESULTS

The **financial result** in the first quarter of 2018 amounted to €-114 million compared to €-155 million in the first quarter of 2017 mainly due to positive impact from exchange rate positions and lower financial interest expense.

NET INCOME ANALYSIS: SPECIAL ITEMS

SPECIAL ITEMS

(Unaudited figures)

Results (€ Million)	Q1 2017	Q4 2017	Q1 2018	% Change Q1 18/Q1 17
Divestments	18	(72)	2	(88.9)
Indemnities and workforce restructuring	(4)	(12)	(2)	50.0
Impairment of assets	(28)	(612)	(2)	92.9
Provisions and others	(11)	377	(63)	(472.7)
Discontinued operations	60	115	68	13.3
SPECIAL ITEMS	**35**	**(204)**	**3**	**(91.4)**

Special items in the first quarter of 2018 amounted to €3 million compared to €35 million in the first quarter of 2017.

Following the agreement reached on February 22, 2018 for the sale of the 20.072% stake in **Gas Natural Fenosa**, the associated income recognized in the accounts has been consolidated as discontinued operations under "Special items", this income was previously recognized under "Corporate and others". Prior quarters have been restated to ensure consistency of disclosure. In the first quarter of 2018 the income amounted to €68 million compared to €60 million in the same quarter of 2017.

CASH FLOW ANALYSIS: ADJUSTED CASH FLOW STATEMENT

This section presents the Group's Adjusted Cash Flow Statement:

(Unaudited figures)

	JANUARY - MARCH	
	2017	2018
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS	**1,731**	**1,816**
Changes in working capital [1]	(762)	(568)
Dividends received	3	0
Income taxes received/ (paid)	(129)	(202)
Other proceeds from/ (payments for) operating activities	(126)	(127)
	717	**919**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(610)	(608)
Proceeds from divestments	13	8
	(597)	**(600)**
FREE CASH FLOW (I. + II.)	**120**	**319**
Payments for dividends and payments on other equity instruments	(138)	(196)
Net interest payments and leases	(233)	(185)
Treasury shares	(165)	(404)
CASH GENERATED IN THE PERIOD	**(416)**	**(466)**
Financing activities and others	(537)	(308)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(953)**	**(774)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,918**	**4,820**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,965**	**4,046**

(1) It includes an inventory effect pretax of €-13 million and €113 million for 2018 and 2017 respectively.

NET DEBT ANALYSIS: NET DEBT EVOLUTION

This section presents the changes in the Group's adjusted net debt:

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q1 2018
NET DEBT AT THE START OF THE PERIOD	**6,267**
EBITDA CCS	(1,816)
CHANGE IN WORKING CAPITAL (1)	568
INCOME TAX RECEIVED /PAID	202
NET INVESTMENT	600
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	196
FOREIGN EXCHANGE RATE EFFECT	(24)
INTEREST AND OTHER MOVEMENTS (2)	843
NET DEBT AT THE END OF THE PERIOD	**6,836**

	2018
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	32,829
NET DEBT / CAPITAL EMPLOYED (%)	20.8
ROACE (%)	8.3
NET DEBT / EBITDA CCS (x)	0.94

(1) It includes an inventory effect pretax of €-13 million and € 113 million in the first quarter 2018 and the first quarter of 2017 respectively.
(2) Principally includes the market operations relating to own shares (regarding the reduction of share capital that will be proposed to the next AGM), interest expense on borrowings, dividends received, provisions used and companies' acquisition/sale effect.

The Group's **net debt** at the end of the quarter stood at €6,836 million, €569 million higher than at the end of the fourth quarter of 2017 mainly due to the market operations relating to own shares, regarding the reduction of share capital that will be proposed to the next AGM. The **net debt to capital employed ratio** at the end of the quarter was 20.8%.

The Group's **liquidity** at the end of the first quarter of 2018 was approximately €6.5 billion (including undrawn committed credit lines); representing 1.33 times gross debt maturities in the short term.

RELEVANT EVENTS

The main company-related events since the fourth quarter 2017 results release were as follows:

In **Upstream**, on March 15, Repsol announced the presence of crude oil in the Lorito-1 exploratory well, located in the CPO-9 block in the Llanos basin (Ecopetrol: 55% WI and operator, Repsol: 45%). Works are currently being carried out to test the results of the well. Lorito-1 is part of the exploratory projects in the CPO-9 Block, where the first stage of the Akacias (discovered in 2010) development project has been approved for 2018.

On March 27, the CNH (National Hydrocarbons Commission) of Mexico announced the results of Round Three (1st Tender) in shallow waters of the Gulf of Mexico in which Repsol obtained with 100% working interest exploration rights for Areas 5 and 12 located in the Burgos Basin. In both cases, the minimum work commitment includes carrying out seismic acquisition campaigns in the 2019-2022 period.

On March 29, the ANP (National Petroleum Agency) of Brazil announced the winners of the 15th Exploratory Licensing Round, in which 70 blocks were offered. Repsol was granted with 3 new exploratory blocks with a 40% participation in all of them in a consortium with Chevron (40%) and Wintershall (20%). Two of the blocks are in the Campos Basin (C-M-821 & 823) and will be operated by Repsol and the third one (S-M-764) is in the Santos Basin and will be operated by Chevron.

In **Downstream**, on March 12, Repsol announced it opened its first service station in Mexico marking the beginning of a long-term project that aims to open between 200 and 250 service stations a year with a view to reaching a market share of 8-10% in the next five years. To achieve this goal, Repsol expects to invest close to 400 million euros, excluding the development of infrastructure, demonstrating its commitment to the country and its desire to become a relevant player in the revitalization of the Mexican energy and hydrocarbon market. The company expects to end 2018 with 200 fueling stations open in the country, offering the highest standards of quality, trust, and transparency characteristic of Repsol’s service.

In **Corporation**, on March 23, in relation to the official notice registered on February 22, regarding the agreement reached with Rioja Bidco Shareholdings, S.L.U. ("Rioja"), to sell 200,858,658 shares of Gas Natural SDG, S.A. ("Gas Natural"), which amount to, approximately, 20.072% of the share capital of Gas Natural, Rioja notified its waiver to the condition precedent consisting in the execution by Rioja of a shareholders’ agreement with Criteria Caixa, S.A.U. and GIP III Canary 1 S.à r.l., for the closing of the sale.

On April 4, Repsol’s Board of Directors agreed to call the Annual Shareholders’ Meeting, which is expected to take place at second call, on May 11th, at the Palacio Municipal de Congresos, Avenida de la Capital de España-Madrid, Campo de las Naciones, Madrid.

Regarding shareholder remuneration and under points four and five on the Agenda, the Board of Directors of Repsol, S.A. has agreed to propose to the Shareholders´ Meeting a continuation of the “Repsol Flexible Dividend” Program in substitution of the final 2017 dividend and the interim 2018 dividend.

In particular, the Board has approved submitting to the General Shareholders’ Meeting, under point four on the Agenda and in substitution of the final 2017 dividend, a proposal of a capital increase charged to voluntary reserves from retaining earnings, equivalent to a remuneration of approximately 0.50 gross euros per share. The Company plans to implement the aforementioned capital increase, during June and

July 2018, and that the last trading date of Repsol, S.A. shares entitled to participate in the "Repsol Flexible Dividend" program will be on June 15, 2018.

In addition, at the General Shareholders Meeting the board will propose a reduction in share capital, through the cancellation of own shares by an amount equivalent to the shares to be issued in 2018 through the scrip dividends.

On April 9, Repsol's "Trading Statement" was published; it provided provisional information for the first quarter of 2017, including data on the economic environment as well as company performance during the period.

Madrid, 4 May, 2018

A conference call has been scheduled for research analysts and institutional investors for today, 4 May 2018 at 12.00 (CET) to report on the Repsol Group's first quarter 2018 results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast.

APPENDIX I – FINANCIAL METRICS AND OPERATING INDICATORS BY SEGMENT

Q1 2018

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	Q1 2017							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	335	-	(115)	4	224	-	(42)	182
Downstream	663	-	(164)	1	500	84	19	603
Corporate & Others	(56)	(155)	57	-	(154)	-	58	(96)
TOTAL	**942**	**(155)**	**(222)**	**5**	**570**	**84**	**35**	**689**
NET INCOME							**35**	**689**

€ Million	Q4 2017							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	326	-	(191)	10	145	-	(143)	2
Downstream	547	-	(99)	(2)	446	154	(142)	458
Corporate & Others	(66)	(17)	82	(2)	(3)	-	81	78
TOTAL	**807**	**(17)**	**(208)**	**6**	**588**	**154**	**(204)**	**538**
NET INCOME							**(204)**	**538**

€ Million	Q1 2018							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	555	-	(238)	3	320	-	(57)	263
Downstream	558	-	(136)	3	425	(9)	(3)	413
Corporate & Others	(56)	(114)	41	-	(129)	-	63	(66)
TOTAL	**1,057**	**(114)**	**(333)**	**6**	**616**	**(9)**	**3**	**610**
NET INCOME							**3**	**610**

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	Q1 17	Q4 17	Q1 18
	QUARTERLY DATA		
UPSTREAM	**335**	**326**	**555**
Europe, Africa & Brazil	170	292	372
Latin America & Caribbean	178	189	197
North America	(11)	12	77
Asia & Russia	86	65	94
Exploration & Others	(88)	(232)	(185)
DOWNSTREAM	**663**	**547**	**558**
Europe	578	585	475
Rest of the World	85	(38)	83
CORPORATE AND OTHERS	**(56)**	**(66)**	**(56)**
TOTAL	**942**	**807**	**1,057**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 17**	**Q4 17**	**Q1 18**
UPSTREAM	**224**	**145**	**320**
Europe, Africa & Brazil	82	135	176
Latin America & Caribbean	106	120	168
North America	(10)	7	60
Asia & Russia	53	49	57
Exploration & Others	(7)	(166)	(141)
DOWNSTREAM	**500**	**446**	**425**
Europe	446	471	361
Rest of the World	54	(25)	64
CORPORATE AND OTHERS	**(154)**	**(3)**	**(129)**
TOTAL	**570**	**588**	**616**

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	Q1 17	Q4 17	Q1 18
UPSTREAM	**921**	**1,086**	**1,101**
Europe, Africa & Brazil	299	434	484
Latin America & Caribbean	311	336	323
North America	182	182	165
Asia & Russia	195	159	183
Exploration & Others	(66)	(25)	(54)
DOWNSTREAM (1)	**961**	**964**	**733**
Europe	857	969	626
Rest of the World	104	(5)	107
CORPORATE AND OTHERS	**(38)**	**(42)**	**(30)**
TOTAL (1)	**1,844**	**2,008**	**1,804**

(1) EBITDA CCS M€			
DOWNSTREAM	**848**	**755**	**745**
TOTAL	**1,731**	**1,799**	**1,816**

INVESTMENTS BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	Q1 17	Q4 17	Q1 18
UPSTREAM	**438**	**716**	**452**
Europe, Africa & Brazil	91	168	153
Latin America & Caribbean	162	101	44
North America	115	196	141
Asia & Russia	29	65	66
Exploration and Others	41	186	48
DOWNSTREAM	**114**	**360**	**138**
Europe	100	291	101
Rest of the World	14	69	37
CORPORATE AND OTHERS	**5**	**17**	**8**
TOTAL	**557**	**1,093**	**598**

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	Q4 17	Q1 18
	CUMULATIVE DATA	
Upstream	21,612	21,063
Downstream	9,749	9,960
Corporate and others	1,745	1,806
TOTAL Capital employed in continued operations	**33,106**	**32,829**
Capital employed in discontinued operations	3,224	3,291
TOTAL	**36,330**	**36,120**

	2018
ROACE (%)	**8.3**
ROACE at CCS (%)	**8.6**

OPERATING INDICATORS

Q1 2018

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Jan - Dec 2017	Q1 2018	% Variation YTD2018/ YTD2017
HYDROCARBON PRODUCTION	**kboe/d**	**693**	**677**	**693**	**715**	**695**	**727**	**4.8**
Liquids production	**kboe/d**	**258**	**253**	**252**	**257**	**255**	**269**	**4.0**
Europe, Africa & Brazil	kboe/d	121	120	123	127	123	139	15.1
Latin America & Caribbean	kboe/d	60	59	58	56	58	52	(12.9)
North America	kboe/d	51	49	48	49	49	50	(1.8)
Asia & Russia	kboe/d	27	25	24	26	25	28	2.7
Natural gas production	**kboe/d**	**435**	**424**	**441**	**458**	**440**	**458**	**5.3**
Europe, Africa & Brazil	kboe/d	15	15	16	18	16	28	82.5
Latin America & Caribbean	kboe/d	229	229	243	254	239	249	8.7
North America	kboe/d	125	123	123	129	125	128	2.2
Asia & Russia	kboe/d	65	57	59	57	60	53	(18.6)
Natural gas production	**(Million scf/d)**	**2,442**	**2,381**	**2,477**	**2,572**	**2,468**	**2,571**	**5.3**

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Jan - Dec 2017	Q1 2018	% Variation YTD 2018/ YTD 2017
PROCESSED CRUDE OIL	**Mtoe**	**10.9**	**11.6**	**12.4**	**12.3**	**47.4**	**11.6**	**5.7**
Europe	Mtoe	9.6	10.2	11.1	11.0	41.9	10.2	6.5
Rest of the world	Mtoe	1.3	1.4	1.3	1.4	5.4	1.3	(0.2)
SALES OF OIL PRODUCTS	**kt**	**12,064**	**13,007**	**13,442**	**13,323**	**51,836**	**12,096**	**0.3**
Europe Sales	kt	**10,473**	**11,321**	**11,711**	**11,576**	**45,081**	**10,434**	**(0.4)**
Own network	kt	**5,042**	**5,287**	**5,543**	**5,314**	**21,186**	**5,250**	**4.1**
Light products	kt	4,280	4,478	4,632	4,478	17,868	4,397	2.7
Other Products	kt	762	809	911	836	3,318	853	11.9
Other Sales to Domestic Market	kt	**2,081**	**2,044**	**2,227**	**2,119**	**8,471**	**2,259**	**8.6**
Light products	kt	2,035	1,996	2,162	2,064	8,257	2,216	8.9
Other Products	kt	46	48	65	55	214	43	(6.5)
Exports	kt	**3,350**	**3,990**	**3,941**	**4,143**	**15,424**	**2,925**	**(12.7)**
Light products	kt	1,172	1,580	1,734	1,947	6,433	1,147	(2.1)
Other Products	kt	2,178	2,410	2,207	2,196	8,991	1,778	(18.4)
Rest of the world sales	kt	**1,591**	**1,686**	**1,731**	**1,747**	**6,755**	**1,662**	**4.5**
Own network	kt	**523**	**566**	**605**	**594**	**2,288**	**599**	**14.5**
Light products	kt	481	502	543	551	2,077	550	14.3
Other Products	kt	42	64	62	43	211	49	16.7
Other Sales to Domestic Market	kt	**353**	**327**	**356**	**357**	**1,393**	**331**	**(6.2)**
Light products	kt	288	273	291	291	1,143	256	(11.1)
Other Products	kt	65	54	65	66	250	75	15.4
Exports	kt	**715**	**793**	**770**	**796**	**3,074**	**732**	**2.4**
Light products	kt	215	147	214	164	740	158	(26.5)
Other Products	kt	500	646	556	632	2,334	574	14.8
CHEMICALS								
Sales of petrochemical products	kt	**712**	**695**	**740**	**708**	**2,855**	**688**	**(3.4)**
Europe	kt	**609**	**581**	**640**	**583**	**2,412**	**581**	**(4.6)**
Base	kt	215	206	245	226	893	238	10.7
Derivative	kt	393	374	395	357	1,519	343	(12.9)
Rest of the world	kt	**104**	**114**	**100**	**125**	**443**	**108**	**3.9**
Base	kt	19	17	22	27	85	30	58.3
Derivative	kt	85	98	78	98	358	77	(8.4)
LPG								
LPG sales	kt	**436**	**315**	**247**	**378**	**1,375**	**437**	**0.3**
Europe	kt	430	310	242	373	1,356	431	0.0
Rest of the world	kt	5	5	4	4	19	6	19.7

Other sales to the domestic market: includes sales to operators and bunker

Exports: expressed from the country of origin

APPENDIX II – CONSOLIDATED FINANCIAL STATEMENTS

Q1 2018

STATEMENT OF FINANCIAL POSITION

(€ millions)
Prepared according to International Financial Reporting Standards (IFRS-EU)

	DECEMBER 2017	MARCH 2018
NON-CURRENT ASSETS		
Goodwill	2,764	2,784
Other intangible assets	1,820	1,783
Property, plant and equipment	24,600	24,285
Investment property	67	67
Investments accounted for using the equity method	9,268	5,939
Non-current financial assets :		
Non-current financial instruments	1,920	1,633
Others	118	119
Deferred tax assets	4,057	3,836
Other non-current assets	472	422
CURRENT ASSETS		
Non-current assets held for sale	22	3,315
Inventories	3,797	4,347
Trade an other receivables	5,912	5,348
Other current assets	182	202
Other current financial assets	257	286
Cash and cash equivalents	4,601	3,824
TOTAL ASSETS	**59,857**	**58,190**
TOTAL EQUITY		
Attributable to equity holders of the parent company	29,793	29,011
Attributable to minority interests	270	273
NON-CURRENT LIABILITIES		
Grants	4	4
Non-current provisions	4,829	4,786
Non-current financial debt	10,080	8,999
Deferred tax liabilities	1,051	1,005
Other non-current liabilities		
Non-current debt for finance leases	1,347	1,306
Other	448	450
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	1	1
Current provisions	518	498
Current financial liabilities	4,206	5,046
Trade payables and other payables:		
Current debt for finance leases	195	190
Other payables	7,115	6,621
TOTAL LIABILITIES	**59,857**	**58,190**

INCOME STATEMENT

(€ millions)
Prepared according to International Financial Reporting Standards (IFRS-EU)

	QUARTERLY DATA		
	Q1 17	Q4 17	Q1 18
Operating income	**844**	**879**	**796**
Financial result	(120)	(44)	(81)
Income from equity affiliates	80	388	138
Net income before tax	**804**	**1,223**	**853**
Income tax	(166)	(791)	(306)
Net income from continuing operations	**638**	**432**	**547**
Net income from non-controlling interest	(9)	(9)	(5)
NET INCOME FROM CONTINUING OPERATIONS	**629**	**423**	**542**
Net income for the year from discontinuing operations	60	115	68
NET INCOME	**689**	**538**	**610**
Earning per share attributible to the parent company (*)			
Euros/share (*)	0.44	0.34	0.39
USD/ADR	0.47	0.41	0.48
Average number of shares (**)	1,549,719,498	1,554,132,001	1,536,426,263
Exchange rates USD/EUR at the end of each quarter	1.07	1.20	1.23

(*) To calculate EPS the interest expense from the perpetual obligations (€7 million after taxes in Q1 17, Q4 17 and Q1 18) has been adjusted.

(**) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in June 2017 and December 2017 accordingly,thus share capital is currently represented by 1,556,464,965 shares. The average weighted number of outstanding shares for the presented periods was recalculated in comparison with the previous periods to include the impact of this capital increase in accordance with IAS 33 "Earnings per share". The average number of shares held by the company during each period was also taken into account.

CASH FLOW STATEMENT

(€ millions)
Prepared according to International Financial Reporting Standards (IFRS-EU)

	JANUARY - MARCH	
	2017	2018
I. CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Net income before taxes	804	853
Adjustments to net income		
Depreciation and amortisation of non current assets	599	517
Other adjustments to results (net)	56	12
EBITDA	**1,459**	**1,382**
Changes in working capital	**(559)**	**(385)**
Dividends received	8	54
Income taxes received/ (paid)	(115)	(178)
Other proceeds from/ (payments for) operating activities	(114)	(94)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(221)**	**(218)**
	679	**779**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (*)		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(50)	(4)
Fixed assets, intangible assets and real estate investments	(405)	(532)
Other financial assets	(97)	(30)
Payments for investment activities	**(552)**	**(566)**
Proceeds from divestments	**12**	**8**
Other cashflow	**0**	**0**
	(540)	**(558)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES (*)		
Issuance of own capital instruments	0	0
Proceeds from/(payments for) equity instruments	(165)	(404)
Proceeds from issue of financial liabilities	3,174	3,378
Payments for financial liabilities	(3,765)	(3,535)
Payments for dividends and payments on other equity instruments	(138)	(196)
Interest payments	(232)	(185)
Other proceeds from/(payments for) financing activities	23	(36)
	(1,103)	**(978)**
Effect of changes in exchange rates from continued operations	**(1)**	**(20)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(965)**	**(777)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,687**	**4,601**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,722**	**3,824**

(*) Cash flows from continued operations

APPENDIX III – RECONCILIATION OF NON-IFRS METRICS TO IFRS DISCLOSURES

Q1 2018

RECONCILIATION OF ADJUSTED RESULTS AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

	Q1 2017					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	942	(125)	(86)	113	(98)	844
Financial result	(155)	31	4	-	35	(120)
Income from equity affiliates	13	67	-	-	67	80
Net income before tax	**800**	**(27)**	**(82)**	**113**	**4**	**804**
Income tax	(222)	27	57	(28)	56	(166)
Net income from continued operations	**578**	**-**	**(25)**	**85**	**60**	**638**
Income attributed to minority interests	(8)	-	-	(1)	(1)	(9)
NET INCOME FROM CONTINUED OPERATIONS	**570**	**-**	**(25)**	**84**	**59**	**629**
Income from discontinued operations	-	-	60	-	60	60
NET INCOME	**570**	**-**	**35**	**84**	**119**	**689**

	Q4 2017					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	807	(257)	120	209	72	879
Financial result	(17)	76	(103)	-	(27)	(44)
Income from equity affiliates	13	376	(1)	-	375	388
Net income before tax	**803**	**195**	**16**	**209**	**420**	**1,223**
Income tax	(208)	(195)	(336)	(52)	(583)	(791)
Net income from continued operations	**595**	**-**	**(320)**	**157**	**(163)**	**432**
Income attributed to minority interests	(7)	-	1	(3)	(2)	(9)
NET INCOME FROM CONTINUED OPERATIONS	**588**	**-**	**(319)**	**154**	**(165)**	**423**
Income from discontinued operations	-	-	115	-	115	115
NET INCOME	**588**	**-**	**(204)**	**154**	**(50)**	**538**

	Q1 2018					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	1,057	(180)	(69)	(12)	(261)	796
Financial result	(114)	40	(7)	-	33	(81)
Income from equity affiliates	11	127	-	-	127	138
Net income before tax	**954**	**(13)**	**(76)**	**(12)**	**(101)**	**853**
Income tax	(333)	13	11	3	27	(306)
Net income from continued operations	**621**	**-**	**(65)**	**(9)**	**(74)**	**547**
Income attributed to minority interests	(5)	-	-	-	-	(5)
NET INCOME FROM CONTINUED OPERATIONS	**616**	**-**	**(65)**	**(9)**	**(74)**	**542**
Income from discontinued operations	-	-	68	-	68	68
NET INCOME	**616**	**-**	**3**	**(9)**	**(6)**	**610**

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

	DECEMBER 2017			MARCH 2018		
	Adjusted Net Debt	Reclasification of JV (1)	IFRS-EU	Adjusted Net Debt	Reclasification of JV (1)	IFRS-EU
NON-CURRENT ASSETS						
Non-current financial instruments	360	1,560	1,920	128	1,505	1,633
CURRENT ASSETS						
Other current financial assets	254	3	257	275	11	286
Cash and cash equivalents	4,820	(219)	4,601	4,046	(222)	3,824
NON-CURRENT LIABILITIES						
Non-current financial debt	(7,611)	(2,469)	(10,080)	(6,579)	(2,420)	(8,999)
CURRENT LIABILITIES						
Current financial liabilities	(4,160)	(46)	(4,206)	(4,913)	(133)	(5,046)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET						
Net mark-to-market valuation of financial derivaties, excluding exchange rate and others (2)	70	-	70	207	(151)	56
NET DEBT	**(6,267)**		**(7,438)**	**(6,836)**		**(8,246)**

(1) Mainly corresponding to the financial contribution by Repsol Sinopec Brasil which is detailed in the following captions:
2017: "Cash and cash equivalents" amounting to €28 million; "non-current financial debt" for intragroup loans amounting to €2,624 million, reduced in €275 million in loans with third parties.
2018: "Cash and cash equivalents" amounting to €21 million and "Non-current financial debt" for intragroup loans amounting to €2,437 million, reduced in €105 million due to loans with third parties.

(2) This caption eliminates net market value of financial derivatives other than exchange rate ones.

	January - March					
	2017			2018		
	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU
I. CASH FLOWS FROM OPERATING ACTIVITIES	**717**	**(38)**	**679**	**919**	**(140)**	**779**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES	**(597)**	**57**	**(540)**	**(600)**	**42**	**(558)**
FREE CASH FLOW (I. + II.)	**120**	**19**	**139**	**319**	**(98)**	**221**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES AND OTHERS (1)	**(1,073)**	**(31)**	**(1,104)**	**(1,093)**	**95**	**(998)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(953)**	**(12)**	**(965)**	**(774)**	**(3)**	**(777)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,918**	**(231)**	**4,687**	**4,820**	**(219)**	**4,601**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,965**	**(243)**	**3,722**	**4,046**	**(222)**	**3,824**

(1) This caption includes payments for dividends and payment on other equity instruments, interest payments, proceeds from/(payments for) equity instruments, proceeds from/ (payments for) issue of financial liabilities, other proceeds from/(payments for) financing activities and the effect of changes in the exchange rate.

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